DIVISION OF ENVIRONMENTAL HEALTH SOLID WASTE PROGRAM 410 WILLOUGHBY AVE. JUNEAU, AK 99801

http://www.state.ak.us/dec/deh

December 24, 2002 CERTIFIED MAIL

Telephone: (907) 465-5162

Fax: (907) 465-5164

Mr. Bill Stevens President Cassandra Energy Corporation P.O. Box 100453 Anchorage, AK 99510-0453

RE: Solid Waste Disposal Permit, Katalla Inert Waste Monofill

Permit No. 0223-BA003

Dear Mr. Stevens:

The Department of Environmental Conservation (ADEC) has completed its evaluation of your request to issue a solid waste disposal permit for the Katalla Inert Waste Monofill. The Department issues permit 0223-BA003 in accordance with AS 46, 18 AAC 15, and 18 AAC 60. The Alaska Division of Governmental Coordination (DGC) found this project consistent with the Alaska Coastal Management Program on December 24, 2002. Please review the conditions and stipulations in the permit and ensure people who conduct waste disposal operations understand them. This permit is effective upon issuance and expires December 24, 2007.

You requested a waiver from the groundwater monitoring requirements of 18 AAC 60.820 – 18 AAC 60.860. Since this is an inert waste monofill with a total volume of less than 1,000 cubic yards, you do not need a waiver from groundwater monitoring requirements. This facility is exempt from the groundwater monitoring requirements of 18 AAC 60.820 – 18 AAC 60.860 by regulation, since it meets the definition of 18 AAC 60.820(a)(4).

Any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.200-310. Hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Juneau, Alaska 99801, within 30 days of receipt of this letter. If a hearing is not requested within 30 days, the right to appeal is waived. Even if an adjudicatory hearing has been requested and granted, all permit conditions remain in full force and effect.

Katalla Inert Waste Monofill Solid Waste Disposal Permit 0223-BA003 Page 2 of 5 Date of Issuance: December 24, 2002

Sincerely,

Heather T. Stockard Solid Waste Program Manager

Enclosure: Permit # 0223-BA003

APPENDIX A - SPECIFIC CONDITIONS

I. APPLICATION COMPLIANCE

The permittee shall comply with all State regulations when performing operations at this facility.

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The following documents are incorporated as part of the permit:

- A. May 22, 2002 Permit Application Package.
- B. April 12, 2002 Plans for Handling Drilling Waste

If there are conflicts between these two documents, items listed in the May 22, 2002 application will take precedence. Furthermore, if anything in these documents conflicts with requirements of Appendix A, Appendix B, or State laws, then the requirements of Appendix A, Appendix B, and State laws take precedence.

II. CONDITIONAL PERMIT APPROVAL

At the issuance date for this permit, Cassandra Energy Corporation has a Lease-Purchase Agreement with Wel-Aska, the landowner of the property where this monofill is planned. The current Lease-Purchase Agreement does not allow Cassandra to make any improvements at the site without the written consent of Wel-Aska. Cassandra shall not perform any waste disposal activities described in this permit until one of the following occurs:

- A. Cassandra Energy Corporation exercises its option to purchase under the Lease-Purchase Agreement; or,
- B. Wel-Aska gives Cassandra Energy Corporation specific written approval to site a monofill on this property.

Cassandra shall provide a copy of one of the above to the ADEC Solid Waste Program and obtain written confirmation of receipt from ADEC prior to performing any waste disposal activities described in this permit.

III. SITE PREPARATION

The permittee shall install and maintain a facility entrance sign that identifies:

Facility Name
Owner/Operator Name
Hours of Operation
Emergency Phone Numbers

IV. SITE OPERATION

The permittee shall:

- A. Ensure that no more than 1,000 cubic yards of waste are disposed at this facility.
- B. Report to the Department hazardous substance spills and other incidents, such as hazardous materials delivered to the site.

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- C. Maintain permanent boundary location markers so that the waste cell(s) location can be determined.
- D. Prohibit disposal of: municipal solid waste, liquid waste, septage or sewage sludge, oily wastes, regulated asbestos containing material, medical waste, hazardous wastes as defined in 40 CFR 261, pesticides, radioactive materials, lead-acid batteries, and polychlorinated biphenyl fluids.

IV. MONITORING, RECORDKEEPING, AND CORRECTIVE ACTION

The permittee shall:

- A. Keep copies of the permit application, permit, closure and post-closure plans. Check them annually to make sure they are still relevant.
- B. Keep copies of training procedures, visual monitoring checklists, and annual inspections.
- C. Fix any problems discovered during regular monitoring and annual inspections.

V. FACILITY CLOSURE

The permittee shall:

A. Record a notation on the deed to the property that includes the items listed in 18 AAC 60.490 and inform the Department in writing when this is accomplished.

APPENDIX B: GENERAL CONDITIONS

I. <u>ACCESS AND INSPECTION</u>

The Permittee shall allow the Commissioner or his representative access to the permitted facilities at reasonable times to conduct scheduled or unscheduled inspections or tests to determine compliance with this permit, State laws, and regulations.

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II. INFORMATION ACCESS

Except for information relating to confidential processes or methods of manufacture, all records and reports submitted in accordance with the terms of this permit shall be available for public inspection at the State of Alaska, Department of Environmental Conservation, 555 Cordova Street, Anchorage, AK 99501.

III. CIVIL AND CRIMINAL LIABILITY

Nothing in this permit shall relieve the permittee from civil or criminal penalties for noncompliance, whether or not such noncompliance is due to factors beyond his control, including, but not limited to, accidents, equipment breakdowns, or labor disputes.

IV. <u>AVAILABILITY</u>

The permittee shall post or maintain a copy of this permit available to the public at the disposal facility.

V. ADVERSE IMPACT

The permittee shall take all necessary means to minimize any adverse impacts to the receiving waters or lands resulting from noncompliance with any limitation specified in this permit, including any additional monitoring needed to determine the nature and impact of the noncomplying activity. The permittee shall clean up and restore all areas adversely impacted by the noncompliance.

VI. CULTURAL OR PALEONTOLOGICAL RESOURCES

Should cultural or paleontological resources be discovered as a result of this activity, work which would disturb such resources is to be stopped, and the State Historic Preservation Office, Division of Parks and Outdoor Recreation, Department of Natural Resources, is to be notified immediately (907-269-8721).

VII. APPLICATIONS FOR RENEWAL

In accordance with 18 AAC 15.100(d), applications for renewal or amendment of this permit must be made no later than 30 days before the expiration date of the permit or the planned effective date of the amendment.

VIII. OTHER LEGAL OBLIGATIONS

The requirements, duties, and obligations set forth in this permit are in addition to any requirements, duties, or obligations contained in any permit that the Alaska Department of Environmental Conservation or the U.S. Environmental Protection Agency has issued or may issue to the permittee. This permit does not relieve the permittee from the duty to obtain any and all necessary permits and to comply with the requirements contained in any such permit or with applicable state and federal laws and regulations. All activities conducted by the permittee pursuant to the terms of this permit and all plans implemented by the permittee pursuant to the terms of this permit shall comply with all applicable state and federal laws and regulations.

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IX. POLLUTION PREVENTION

In order to prevent and minimize present and future pollution, when making management decisions that affect waste generation, the permittee shall consider the following order of priority options: waste source reduction; recycling of waste; waste treatment; and waste disposal.

STATE OF ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION DIVISION OF ENVIRONMENTAL HEALTH

410 Willoughby Avenue Juneau, AK 99801

SOLID WASTE DISPOSAL PERMIT

PERMIT NO. 0223-BA003

DATE December 24, 2002

This solid waste disposal permit is issued to Cassandra Energy Corporation for the operation and maintenance of an inert waste monofill facility near Katalla, Alaska. It authorizes the disposal of portland cement-treated drilling waste.

The landfill will be located near Katalla, Alaska. The landfill location is Section 36, Township 9 South, Range 5 East, Copper River Meridian and Section 31, Township 9 South, Range 6 East, Copper River Meridian, Claim No. 1, USMS 599.

While conducting waste disposal operations, Cassandra Energy Corporation is subject to the applicable requirements of 18 AAC 60 and the conditions and stipulations contained in Appendices A and B of this permit.

This permit is issued under provisions of Alaska Statutes 46.03, the Alaska Administrative Code as amended or revised, and other applicable state laws and regulations.

This permit is effective upon issuance and expires December 24, 2007. It may be terminated or modified in accordance with AS 46.03.120.

Heather T. Stockard Solid Waste Program Manager